

FILED

JUL 14 2021

CLERK, U.S. DISTRICT COURT
NORTHERN DISTRICT OF OHIO
CLEVELAND

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF OHIO
EASTERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

V.

ROBERT BEARDEN,

Defendant.

INDICTMENT

JUDGE NUGENT

CASE NC

01:21 CR 527

Title 18, United States Code,
Sections 641 and 1343

GENERAL ALLEGATIONS

At all times relevant to this Indictment, unless otherwise specified:

1. Defendant ROBERT BEARDEN resided in the Cleveland, Ohio area, in the Northern District of Ohio, Eastern Division.
2. The United States Small Business Administration (“SBA”) was an executive branch agency of the United States government. The mission of the SBA was to maintain and strengthen the nation’s economy by enabling the establishment and viability of small businesses and assist in the economic recovery of communities after disasters.
3. The Coronavirus Aid, Relief, and Economic Security (“CARES”) Act was a federal law enacted in or around March 2020 and was designed to provide emergency financial assistance to Americans suffering the economic effects caused by the COVID-19 pandemic. One source of relief under the CARES Act was authorization for the SBA to issue loans to small businesses and non-profit entities experiencing revenue loss due to the pandemic.

4. One form of such assistance was the Economic Injury Disaster Loan (“EIDL”) program, which provided loan assistance for certain businesses negatively affected by the COVID-19 pandemic. To qualify for an EIDL loan, a business had to, among other requirements, be in operation prior to February 1, 2020.

5. Applicants for EIDL loans used the SBA online portal to submit their application materials. The servers that processed the EIDL loan applications were based in the state of Iowa.

6. Applicants had to certify that the information in the application was true and correct, under the penalty of perjury and applicable criminal statutes. The application process involved filling out data fields relating to the size and ownership of the affected business entity, and other information about the relevant business for the 12 months prior to COVID-19 impacting the national economy, such as the number of employees in the business, the gross business revenues realized, and the cost of goods sold. This information, submitted by the applicant, was then used by SBA systems to calculate the amount of money the applicant was eligible to receive.

7. Pursuant to the provisions governing the EIDL program, loan proceeds could only be used by the affected business receiving EIDL loans for certain permissible expenses. The loans could be used by the business to pay fixed debts, payroll, accounts payable, and other bills that could have been paid had the COVID-19 disaster not occurred.

COUNTS 1 – 3
(Wire Fraud, 18 U.S.C. § 1343)

The Grand Jury charges:

8. The allegations contained in paragraphs 1 through 7 of this Indictment are realleged and incorporated by reference as if stated fully herein.

The Scheme to Defraud

9. In or around July 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant ROBERT BEARDEN, with the intent to defraud, did devise, and intend to devise, a scheme and artifice to defraud, and to obtain money and property from the SBA by means of materially false and fraudulent pretenses, representations, and promises, knowing that the pretenses, representations, and promises were false and fraudulent when made, by submitting fraudulent loan applications with fictionalized information.

Purposes of the Scheme

10. The purposes of the scheme included, but were not limited to, the following: for Defendant to unjustly enrich himself and others by obtaining EIDL loan proceeds under false pretenses.

Manner and Means of the Scheme

11. The manner and means by which Defendant carried out the scheme included, but were not limited to, the following:

a. Defendant submitted EIDL loan applications with false information about existing businesses, and with information about businesses that did not exist, through the SBA's online application portal, using interstate wire communications. Defendant fictionalized figures provided for the businesses' gross revenues and employees.

b. Defendant offered to obtain, attempted to obtain, and in some instances did obtain, government pandemic assistance for third parties in exchange for a share of the funds obtained, and then submitted fraudulent EIDL loan applications in the names of those third parties, and in some instances received kickbacks on those loans.

c. Defendant obtained identifying information from individuals interested in receiving government pandemic assistance, but then used the information to submit fraudulent EIDL loan applications in their names, but with the funds directed to accounts that Defendant controlled.

Acts in Furtherance of the Scheme

12. The acts caused by Defendant in furtherance of the scheme, in the Northern District of Ohio, Eastern Division, included, but were not limited to, the following:

a. On or about July 6, 2020, Defendant finalized a fraudulent EIDL loan application through the SBA online portal, seeking a \$13,000 loan to a sole proprietorship in Defendant's name, with a trade name of "24 KARAT GOLD HOUSE," which was approved and disbursed to a bank account in Defendant's name and under Defendant's control ("Bank Account 1"), as Defendant had requested.

b. On or about July 10, 2020, Defendant finalized a fraudulent EIDL loan application through the SBA online portal, seeking a \$12,300 loan to a sole proprietorship in Person 1's name, with a trade name of "House Painting by [Person 1]," which was approved and disbursed to Bank Account 1, as Defendant had requested. Defendant submitted the loan in Person 1's name, representing Person 1 as having \$98,500 in annual revenues, despite Person 1's instruction not to do anything inconsistent with Person 1's receiving benefits from the U.S. Social Security Administration.

c. On or about July 16, 2020, Defendant finalized a fraudulent EIDL loan application through the SBA online portal, seeking a \$34,800 loan to a sole proprietorship in Person 2's name, with a trade name indicating a catering business, which was approved and disbursed to Person 2's bank account, as Defendant had requested. Defendant expected to

receive, and did receive, a \$6,000 kickback in exchange for obtaining the EIDL loan for Person 2.

Execution of the Scheme

13. On or about each of the dates set forth below, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant, for the purpose of executing the scheme and artifice to defraud described above, and attempting to do so, transmitted, and caused to be transmitted, writings, signs, signals, pictures and sounds by means of wire communications in interstate commerce, as described below, each transmission constituting a separate count of this Indictment:

Count	Approximate Date	Description of Transmission	Originating Location	Recipient and Location
1	July 6, 2020	Electronic submission of EIDL loan application in Defendant's name	Ohio	SBA, Iowa
2	July 10, 2020	Electronic submission of EIDL loan application in Person 1's name	Ohio	SBA, Iowa
3	July 16, 2020	Electronic submission of EIDL loan application in Person 2's name	Ohio	SBA, Iowa

All in violation of Title 18, United States Code, Section 1343.

COUNT 4

(Theft of Government Funds, 18 U.S.C. § 641)

The Grand Jury further charges:

14. The allegations contained in paragraphs 1 through 7 and 9 through 12 of this Indictment are realleged and incorporated by reference as if stated fully herein.

15. In or around July 2020, in the Northern District of Ohio, Eastern Division, and elsewhere, Defendant ROBERT BEARDEN knowingly and willfully embezzled, stole, purloined, and converted to his own use money of the United States or any department or agency thereof, of a value exceeding \$1,000, to wit: SBA EIDL funds obtained by fraud.

All in violation of Title 18, United States Code, Section 641.

A TRUE BILL.

Original document - Signatures on file with the Clerk of Courts, pursuant to the E-Government Act of 2002.